

# UC Davis Policy and Procedure Manual

## Chapter 330, Financial Management and Services

### Section 12, Departmental Check Distribution

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Responsible Department: Accounting and Financial Services

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#### I. Purpose

This section describes departmental responsibilities for handling the distribution of University checks to payees that are not distributed from Accounting and Financial Services by mail, in-person deliver, or direct deposit.

#### II. Definitions

- A. Agent--a person authorized to act for another person.
- B. Check custodian--a person who holds checks and/or delivers checks to payees.
- C. Payee--a person to whom money is being paid by check.
- D. Unclaimed check--a check that is being held by any University office for issuance or delivery to the payee; this includes a check that was mailed out but returned to the University.

#### III. Policy

- A. A University check shall be released only to the payee or a departmental check custodian unless the payee has authorized an agent in writing (see IV.B, below).
- B. Check custodians who release checks to payees or payees' agents must verify the identity of the recipient prior to release of the check.
- C. A check shall not be given to a University employee who approved the financial information system document authorizing the issuance of the check.
- D. An employee who distributes payroll checks shall not be authorized to approve payroll documents or to review the monthly Distribution of Payroll Expense (PPP5302) or the Payroll/Personnel System (PPS) Decision Support Expense Distribution Report (see [Sections 330-11](#) and [330-55](#)).
- E. Checks that are awaiting distribution shall be kept in locked storage accessible only to a check custodian and an alternate who have been formally assigned these responsibilities.
- F. When departmental check custodians are unable to deliver a check to a payee within 30 days of its issuance, the check shall be returned to Accounting and Financial Services with a statement identifying the check as unclaimed. Accounting and Financial Services will attempt to contact payees of unclaimed checks.
- G. Accounting and Financial Services will reissue any check, regardless of the check's age or amount, for which it can be determined that the check has never been cashed or previously reissued.

#### IV. Procedures

- A. Departmental check custodians may make the following delivery of checks without special action:
  - 1. Delivery of checks to payees known to them.
  - 2. Delivery of checks to payees unknown to them who present valid government-issued photo identification (e.g. a driver's license).
  - 3. Delivery of checks to payees by US or campus mail service. Departmental mailboxes in public areas are not considered secure and may not be used to deliver checks.
- B. Departmental check custodians may deliver a check to a person other than the payee under the following procedure.
  - 1. The payee shall complete the authorization portion of the [Authorization for Release of Check to an Agent and Agent's Receipt for Check](#) form or provide a written letter with the required information to the check custodian.
  - 2. The agent shall provide a valid government-issued photo ID to the check custodian and complete the receipt portion of the form.
  - 3. The check custodian shall verify the photo ID, complete the verification portion of the form, and release the check to the agent.
  - 4. The department shall retain the completed form for one year.
- C. Unclaimed checks shall be returned promptly to campus Accounting and Financial Services with and explanation of the department's inability to distribute the checks.

#### **V. Further Information**

Additional information may be obtained by calling campus Accounting and Financial Services, (530) 757-8570, (<http://accounting.ucdavis.edu/AP/>).

#### **VI. References**

- A. Business and Finance Bulletin IA-101, Internal Control Standards: Departmental Payrolls, (<http://policy.ucop.edu/doc/3420359>).
- B. UC Accounting Manual Chapter C-173-15, Cash: Check Controls, (<http://policy.ucop.edu/doc/3410200>).